

SENATOR GOODRICH: Mr. President, members of the body. I rise in opposition to the kill motion. Let me repeat for...some of you who.... apparently some of them didn't listen. Whenever a city implements a sales tax which as we all know four cities are implementing a sales tax. Those tax...that tax is collected at the time the state sales tax is collected and it goes right to the state treasury, state general fund. The 1% that is on the books now and being collected, is collected and the state collects a 3% fee or takes...or deducts 3% of the net proceeds of that back to...before they send it back to the four cities. Consequently the state actually collects right now about a half a million dollars each and every year. That is the 3% of the net tax is a half a million dollars in the case of the City of Omaha. So, the state is getting about \$500,000 gross off of this 3% collection fee. Now, granted there are some forms that they have to use and that sort of thing that they have to print up and send out to the four cities. There is a small amount of cost affiliated with collecting the \$500,000 for the City of Omaha and remitting it back to the City of Omaha. However, this will increase when we go from 1% to 1½% it will go from \$500,000 that is retained by the state up to about \$740,000 that is retained by the state. Consequently what they are saying now is okay, we are going to have change some of these forms, instead of reflecting 1% they are going to have to reflect 1½%, we are going to have to have an extra clerk or two to do this, which frankly I don't personally think they have to have, but let's face it, they say they do have so consequently we have got to recognize their costs. However, it does not change the fact that they are going to go from a collection on this 3% collection fee that the state retains will go from \$500,000 up to \$740,000. Consequently, regardless of whether we pass the A bill or not, the 902 for example itself will produce the tax revenue to the state. It will produce about \$240,000 additional funds into the state general fund. 902 itself, not 902A. 902 itself will produce \$240,000. Then, the picture that we are faced with right now is that Mr. Peters says that there is going to be some additional costs for the forms and that sort of thing, so give me an extra \$25,000 for the balance of this year so that I can get ready for it and a balance of \$10,000 for next year so that we can be, if there is any additional cost next year we will be ready for it. This money, this \$35,000 for the two years is going to him out of the general fund, but it had to be put into the general fund before it could be taken out. Consequently if Senator Marsh, for example, was right in her contentions, we would not be putting the money in. I just implore you that this is a contention on the part of the Department that they need it, we are...the tax payers of Omaha are going to be putting it in, they are going to be putting in a total of \$240,000. If the State Tax Commissioner says that he needs \$35,000 over these two years, I say give it to him and be done with it. Don't give them an excuse not to try...to try not to implement 902. Thank you.

SENATOR MARVEL: We are going to recess in just a couple of minutes and I'll ask the Clerk to read whatever he has on the desk into the Journal.

CLERK: Read LB 743A.